BC COMMUNITY FINANCIAL SERVICES CORPORATION

FOUR CORNERS

2001-2004 PERFORMANCE PLAN

COMMUNITY SAVINGS

April 2001

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April 2001

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PREAMBLE

Four Corners recently celebrated its fifth anniversary as a deposit taking financial institution. Since opening its doors it has welcomed thousands of people living and working in Vancouver's Downtown Eastside. Most have come to open and use savings accounts at its branch on Hastings and Main. Some have also borrowed money for their homes and businesses. Those who share its goals have helped to support it through their term deposits. Four Corners is achieving its vision as a community-focused engine of change. This report shows how it has done so in the past, and how it plans to continue to do so over the next three years.

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1.0 INTRODUCTION

The BC Community Financial Services Corporation (BCCFSC) does business as Four Corners Community Savings (Four Corners). Four Corners is a community financial institution located in Vancouver's Downtown Eastside (DTES).

BCCFSC was established as a Crown corporation in 1994 under the *Community Financial Services Act (CFSA)*. It was designed by the people it seeks to serve and is owned by a single shareholder, the provincial government. Its deposit guarantee regulation (part of the *CFSA*) guarantees individual deposits of up to $100,000 and institutional deposits of up to $2 million. Four Corners began its operations in 1996. Over the past seven years, BCCFSC has:

- Established a Board of Directors[1] (with legislated and non-legislated Committees) and an Advisory Council;
- Recruited and trained staff (targeting low income residents) and developed operational policies and procedures;
- Leased and moved into its location at the corner of Main and Hastings Streets (opening its doors in April 1996);
- Started taking deposits, cashing cheques and providing supportive services including photo identification (ID) services (1996);
- Started sponsoring cultural literacy events including nights at the opera, modern dance recitals and visiting lecturers;
- Won a Heritage Award from the City of Vancouver (1998);
- Started making loans/mortgages (1999);
- Established ethical lending and investment practices;
- Started offering RRSPs (1999); and,
- Started providing ATM cards and services to customers (July 1999).

It plans to introduce "point of sale" technology in June 2001.

This report constitutes the 2001-2004 Performance Plan for the BCCFSC. It is based on work undertaken over the past seven years – and provides a perspective for work over the next three years. The Performance Plan covers Four Corners' strategic vision, values and issues. It then presents its key goals and objectives – for the organization as a whole, as well as for its two operating segments: Banking Services and Corporate Services. Finally, it outlines the key strategies Four Corners intends to use to accomplish its goals, along with the measures it will use to ensure that they are being met and some baseline information on Four Corners results to date.

This Performance Plan has been prepared in accordance with Sections 13 and 16 of the *Budget Transparency And Accountability Act (BTAA)*. It is consistent with the government's 2001-2004 Strategic Plan and is intended to form the basis for an Annual Report for the BCCFSC.

"I now have more mobility and options for banking but I still return to Four Corners because it is more than a bank to the poor. It is an essential service. It is a meeting place. It is a friend. It allows us to retain our dignity. It enables us to overcome insurmountable obstacles we normally face with other commercial banks." (Four Corners' customer)

[1] Directors hold two-year terms.

2.0 STRATEGIC CONTEXT

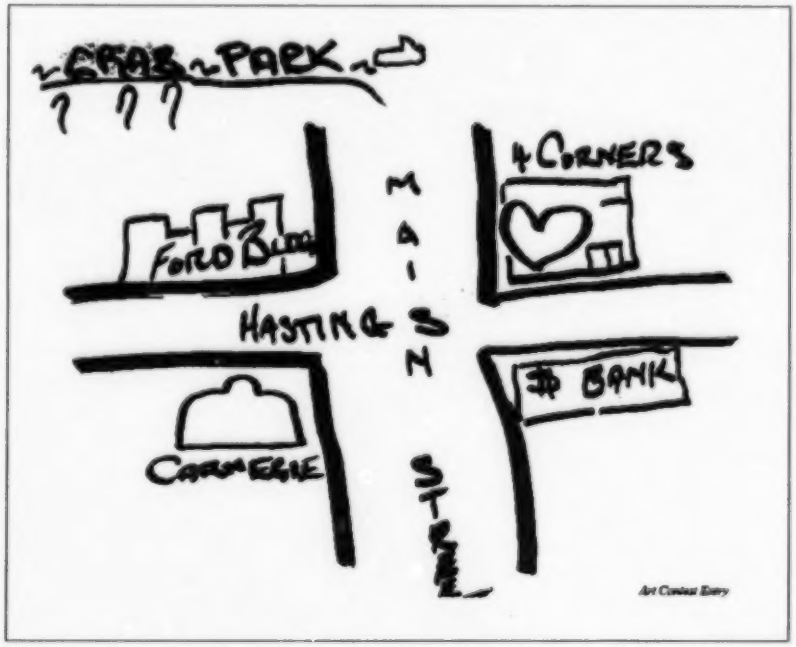
2.1 Vision

The organizational vision of the BCCFSC is:

> To be an engine of economic and social change and to promote creative solutions for communities in need.

More specifically, the BCCFSC aims:

- To provide core banking services to individuals and businesses residing or working in the DTES community, as well as to those who share the corporation's principles, goals and objectives outside the DTES.
- To provide a measure of stability, safety and pride to its customers and community.
- To act as an economic engine to invest in local community projects including socially responsible lending and housing development projects.



2.2 Mission

The primary purpose of the BCCFSC is enshrined in its enabling legislation, the *Community Financial Services Act*:

> To encourage and facilitate the use of savings institutions by, and to provide a full range of financial and related services to, members of the community. (p. 5)

Its public policy role is articulated through the *CFSA's* description of "community" which is defined as those persons who:

- are underserviced by existing financial services
- are in a state of suffering, neglect or poverty, or
- share and promote the principles, goals and purposes of the Corporation.

(p. 2)

"Until the 4 Corners Bank opened its doors I was forced to go to places like the Money Mart. At the Four Corners Bank my lack of an identity card was solved by a letter from my worker and the bank issued me with a picture ID. I was once more a member of the community. I could once more function within the demands placed on all of us by the Financial Industry." (Four Corners' customer)

"This is the first bank account I've had in 10 years. You have no idea how important that is." (Four Corners' customer)

2.3 Values

The BCCFSC and its activities are:

- Respectful;
- Friendly;
- Inclusive (here to serve everybody);
- Accessible (barrier free);
- Appropriate;
- Reliable;
- Cooperative;
- Stimulating; and,
- Community focused.

In addition, Four Corners acts within the community as a:

- Creative catalyst; and,
- Capacity builder (with staff and customers).

I feel at home here. The tellers are friendly and I can sit instead of standing in line outside in the cold." (Four Corners' customer)

2.4 Environmental Scan And Key Strategic Issues

2.4.1 Main External Factors

The main external factors influencing Four Corners' business environment and corporate performance are outlined in this section under the following headings:

- The Downtown Eastside Community;
- Financial Services In The Downtown Eastside;
- Trends In The Financial Sector; and,
- Other Operational Influencers.

2.4.1.1 The Downtown Eastside Community

- *Four Corners operates in a low income neighbourhood.* For example, approximately two-thirds (68%) of the 16,275 residents in the area covered by the Downtown Eastside Monitoring Report (2000) were considered to be "low income" according to the 1996 Census. The median household income in this area was $11,000 in 1996. Main sources of income include Income Assistance and Employment Insurance. This influences the kinds of services Four Corners' customers desire e.g., no minimum monthly balance, no penalties for small withdrawals and direct depositing of monthly benefit cheques.

- *Residents in the community work together in a cooperative manner.* Customers take on leadership roles in their support of Four Corners and its goals. They sit on its Advisory Council and assist with event coordination, for example.

- *The business climate in the neighbourhood is challenging.* Many of the businesses are small and some of the legal businesses which operate in the community engage in illicit activity. There is also a large underground economy in the area. This limits Four Corners' ability to provide services to local businesses while adhering to its ethical practice requirements.

- *Other organizations, including not-for-profit agencies and public sector service providers, are also active in the area.* These include, for example, the Common Concerns Association, the Portland Hotel Society, BC Housing, the Vancouver Police Department and the Ministry of Social Development and Economic Security. These organizations may be customers of the financial institution as well as its partners on community development initiatives.

2.4.1.2 Financial Services In The Downtown Eastside

- *There are no other financial services for DTES residents in the immediate area.* While there is a high concentration of financial institutions in Chinatown, including a Royal Bank located directly across from Four Corners, these institutions are not considered accessible by DTES residents. Low income customers are actively discriminated against in some cases, with security guards in Chinatown and Gastown discouraging access to financial institutions in these areas. Other barriers to residents' use of existing institutions include the need for photo ID, transaction

fees/service charges and tellers not trained or prepared to serve a low income population which includes a large proportion of people with mental illness. Thus, there is a large market for Four Corners' services among low income persons in its neighbourhood.

- *Offering banking services to DTES residents is not cost-effective.* Past banking services/programs have ended due to prohibitive costs. These programs have concluded that there is not sufficient business in the area for a financial institution to operate at a profit. Conventional financial institutions avoid this customer segment because they require higher levels of transaction support and are less able to generate a substantial deposit base or lending revenue. As a result, Four Corners seeks to access revenue sources outside the DTES as well as within – for example, with customers who are members of a community who "share its principles."

- *A proportion of DTES residents and businesses are "high risk" customers.* These include customers applying for loans or mortgages who lack collateral or have little/no/poor credit histories. Four Corners is able to provide access to the Partners in Economic and Community Help (PEACH) Fund and the Four Corners Support Fund Society in some of these cases.

- *Business from outside the area is limited by Four Corners' branch location.* Specific barriers to the use of the institution by customers from outside the DTES include lack of parking and safety concerns (based in part on media representation of the community). Four Corners' legislation does not allow it to operate branches outside the downtown core. However, it does provide alternative access arrangements for customers, including an ATM option as well as deposit pick-up services.

- *New business is limited by customers' existing relationships with their financial institutions.* Customers who already have relationships with other financial institutions may be loyal to their institution, may not want to make the effort required to change to a new institution, may be taking advantage of bundled services at their current institution and/or may require services which are not available from Four Corners. This underscores the importance of the financial institution continuing its effective marketing activities which emphasize the benefits of dealing with Four Corners.

2.4.1.3 Trends In The Financial Sector

Four Corners concentrates most of its services on a "niche" market of lower income customers. As financial institutions increasingly focus on more lucrative markets, this niche widens. While the demand for Four Corners' services increases as a result, its ability to attract more profitable customers diminishes at the same time. Key factors influencing this situation include:

- *Increased competition in the financial industry which is affecting spreads, financial margins and net income.* Financial institutions are finding that their spreads and margins are being dramatically squeezed. This is especially the case relative to seven years ago, when the original business case for Four Corners was being developed. Financial institutions are competing based on best rate and lowest high volume cost structures. Simultaneously, customers are asking for shorter term

deposits (e.g., of less than one year) due to the lower, and highly competitive, rates offered by the financial community. Four Corners is required to offer competitive rates and faces reduced potential profits from traditional banking revenue sources.

- *Local credit unions have been merging.* The mergers enable them to take advantage of economies of scale and increase their competitiveness. For example, Richmond Savings and Pacific Coast Savings merged in December 2000 and anticipate that the merger will assure "that we remain competitive and responsive to the needs of our members[2]." As a result, Four Corners is facing an increasingly competitive environment for customers.

- *Financial institutions are moving towards technology-based banking and away from "bricks and mortar" or "branch" banking.* As a result, they are reducing their physical infrastructure requirements and in-person services. At the same time, they are increasing their ATM, point-of-sale and PC banking products and services. This creates additional service opportunities for Four Corners with some customers, but also makes it relatively less cost-effective to maintain a large physical location.

2.4.1.4 Other Operational Influencers

- *Four Corners and its customers are currently dependent upon government.* Four Corners is a financial institution whose only shareholder is the provincial government. Many of Four Corners' customers receive financial assistance from government(s). As a result, Four Corners does not have the same ability to chart its own course as other financial institutions with a wider, private, shareholder base. Customers may be similarly restricted regarding their financial options.

- *Four Corners operates within a burdensome legislative framework comprised of at least six statutes.* In particular, it must comply with *Community Financial Services Act* under which it is established. However, it is also subject to parts of the *Financial Institutions Act* and its regulations, as well as the *Company Act* – all of which are overseen by the Financial Institutions Commission. Provincial administration/ accountability requirements are governed by the *Financial Information Act*, the *Freedom Of Information And Protection Of Privacy Act*, and the *Budget Transparency And Accountability Act*. In addition, Four Corners must meet other requirements of the Auditor General's Office, the Ministry of Attorney General and the Ministry of Finance. In comparison, credit unions operate under two pieces of legislation: the *Financial Institutions Act* and the *Credit Union Act*. This increases Four Corners' operating costs and influences the way it allocates its limited resources.

- *Four Corners adheres to its own ethical/prudent practice guidelines when making loans.* This places limitations on its lending e.g., the institution will not loan to a Single-Resident Occupancy hotel to be "gentrified" into a Backpackers Hotel. It also ensures that the lending it is providing is ethical and prudent.

- *Four Corners hires its staff from the DTES community.* It places a premium on selecting and training low income persons as staff members – providing them with new skill sets in a unionized environment.

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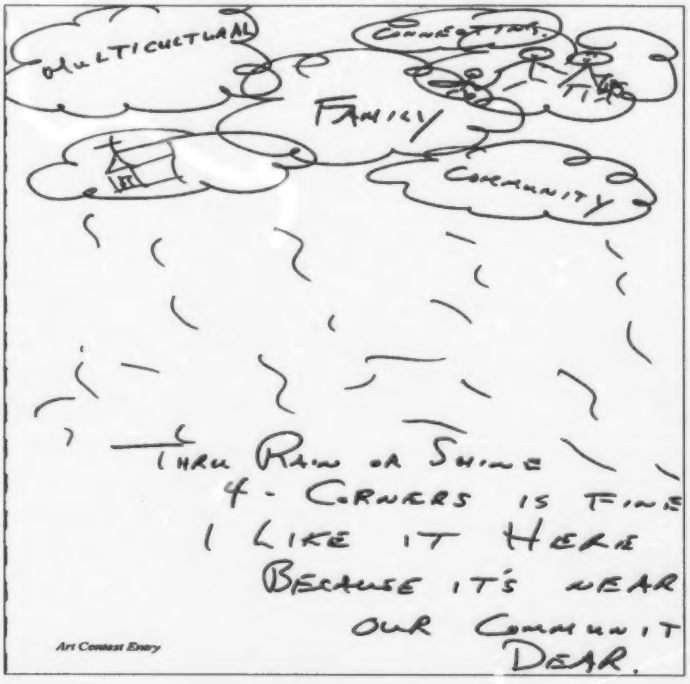
[2] Richmond Savings website (March 2001).

- *Perceived linkage to the current government.* Four Corners is perceived to be linked to the government which, in some circles, has negatively impacted deposit gathering.



2.4.2 *Assessment Of The Organization's Recent Performance*

The BCCFSC is achieving its mission and statutory mandate of providing financial services to members of its community.

Since opening its doors in 1996, Four Corners has been very successful at attracting customers who are DTES residents. Four Corners' staff estimate that over 4,000 of its customers are DTES residents. Given a population of 16,000 residents, this would mean an estimated market share in the DTES community of approximately 25%[3] - and a relatively higher market share among DTES residents receiving Income Assistance.

Four Corners has been attracting new customers each year. It currently provides financial services to approximately 5,532 account holders[4] (as of March 31, 2001). (Its initial target of 5,000 new account holders was met one year earlier than anticipated – by the end of the 1999/00 fiscal year.) In addition, over the past five years, Four Corners has provided financial services to other individuals who have held more than 3,500 accounts which are now closed[5].

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3 Market share is defined as a proportion of residents – the estimated percentage of DTES residents who are Four Corners customers.

4 These are individuals who hold savings or chequing accounts which have been active in the past 12 months. Almost all these individuals hold either a savings account or a chequing account, but not both.

5 A proportion of community residents are highly mobile.

Four Corners has successfully attracted low income customers in accordance with its legislated purpose. As of March 31, 2001 an estimated 4,421 (80%) of Four Corners' customers were low income account holders[6].

There are also an estimated 400 individuals who, above and beyond the account holders, use the financial institution for cheque-cashing purposes only (instead of paying a cheque cashing service, for example).

It is likely that a majority of these customers were previously underserviced by financial institutions and would not otherwise be availing themselves of basic financial services like deposit accounts. The financial institution is promoting the use of financial services amongst these customers.

Four Corners has been adding new financial products and services to its offerings each year. It now provides a range of retail banking and consumer/business lending services in accordance with its statutory mandate.

The vast majority of the accounts held are savings accounts (80% as of February 28, 2001). Customers also access other financial and related services on a regular basis, including chequing accounts, term deposits, lines of credit, loans and RRSPs. Approximately 31% of its customer base have ATM cards (as of February 28, 2001).

Four Corners' deposits and loans have grown dramatically since they were introduced. Total deposits have grown to almost $25 million in the past five years. Total loans have increased to approximately $5 million in the past two years.

However, Four Corners has not been able to achieve its financial targets. In particular, it has been unable to become self-sustaining over this period of time. Four Corners has incurred higher than anticipated costs in a variety of areas, including:

- In the design and development of new products/services which meet its customers needs in an appropriate manner;
- In the delivery of these products/services to its customers; and,
- In the meeting of its significant regulatory/statutory compliance requirements.

Simultaneously, it has not been able to attract deposits as it intended. In particular, its deposits have not been of sufficient size and length of term to support its lending and intended community economic development activities.

As a result, it has incurred deficits each year of its operations. In 2000/01, the value of the deficit is equal to the value of providing free financial services at a cost of approximately $17.85 per month to all the BCCFSC's low income customers. (In practice, it costs more than this to provide these services to each low income customer and meet Four Corners' social mandate. However, these total per customer service costs are partially offset by other financial revenues.)

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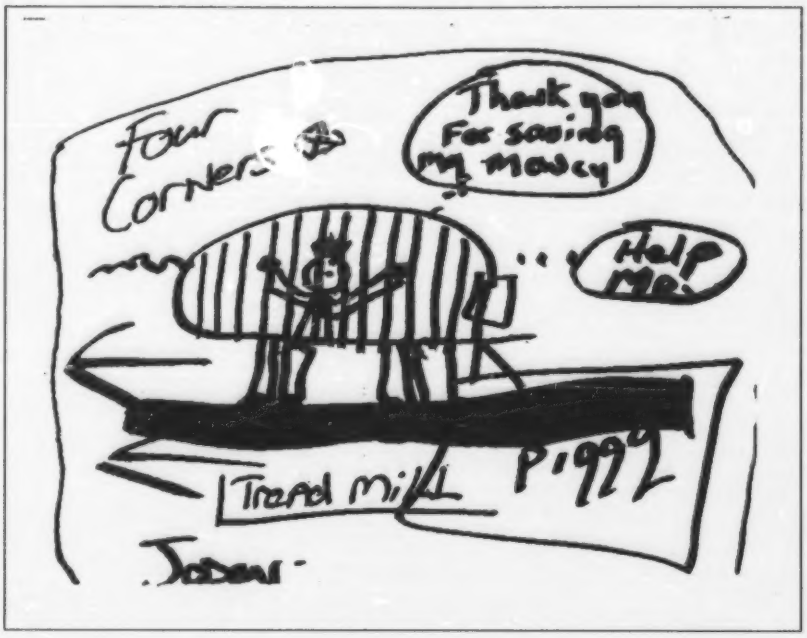
[6] There are also individuals who hold savings or chequing accounts which have been active in the past 12 months. This estimate assumes that these individuals hold either a savings account or a chequing account, but not both.



2.4.3 Key Strategic Issues

Issue 1: Financial viability/the challenge of achieving financial targets.

The key strategic issue facing Four Corners is its need to achieve its financial targets and confirm its long-term financial viability. Four Corners faces challenges in attracting deposits (especially long term deposits), as well as in attracting and servicing commercial lending.

While the financial institution has had some success in adding other revenue sources (e.g., ATM cards), it has not been successful with others (e.g., fee for service contracts with the Ministry responsible for Income Assistance clients). In addition, some alternative revenue sources are not feasible – such as savings account service charges and subleasing of its location for security reasons.

Four Corners has already been able to significantly reduce its operating expenses in some areas (e.g., wages and benefits in 2000/01). However, it faces potential barriers to doing so further in the immediate future (e.g., lack of approval from its shareholder to purchase its building).

Issue 2: Continuing to provide exceptional customer service.

Continuing to provide financial services in a manner which makes them easily accessible is also a key strategic issue for Four Corners. Its products and services are different from those offered by other financial institutions in a variety of ways. Four Corners' "exceptional" customer service includes spending more time with customers on their transactions, for example. It offers no cost financial services to low income customers. Four Corners makes it easier for all customers to use its services (e.g., keeping picture

IDs on computer, having a children's play area in the branch and being completely wheelchair accessible). Maintaining its high levels of service in the face of financial and other external pressures is a major concern.

Issue 3: Continuing to "grow" its operations.

Four Corners began operating five years ago and is still "growing" its operations. In 1996, it started by offering basic account services. Bill payments were added, followed by loans/mortgages, RRSPs and ATM cards/transactions. Other products and services may yet be added to the mix of products and services already available.

At the same time, Four Corners is trying to "grow" its operations in terms of its customer base and their transactions. This involves providing its products and services to *new* customers. But it also covers broadening the range of products and services being used by its *current* customers.

Four Corners faces the challenge of expanding into new target markets and new product/service lines on a continuous basis.

Issue 4: Its complex governance structure/regulatory environment/requirements.

Significant time and resources are required to meet Four Corners' governance and regulatory requirements.

Four Corners is governed by a Board of Directors with statutory and non-statutory Committees. Board appointments require Order In Council approval. The Advisory Council is elected by the depositors and ensures Four Corners remains true to its mandate and contributes input into its operations.

Four Corners is required to report to its Board of Directors, its responsible ministry, Treasury Board and the Financial Institutions Commission. This complex reporting relationship imposes administrative costs that are not typically incurred by other financial institutions. It also imposes numerous additional tasks on Four Corners' staff and Board members.

3.0 GOALS AND OBJECTIVES

This section first presents a logic model for the BCCFSC which links its intended outcomes with the activities of its two Operating Segments (Banking Services and Corporate Services).

It then briefly describes these activities, before presenting the Operating Segments' ten goals.

3.1 BCCFSC Logic Model

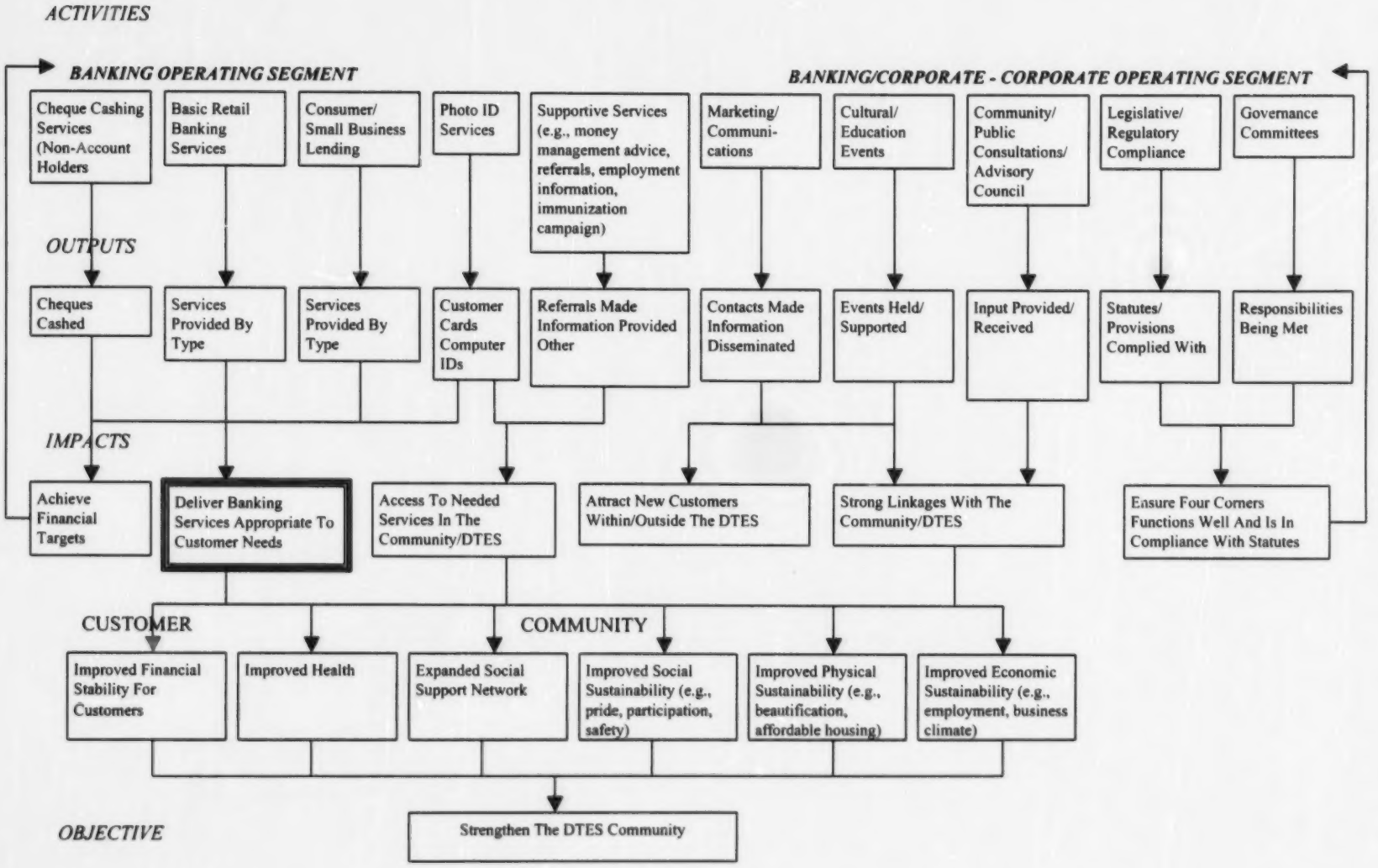
The BCCFSC logic model describes the steps between its long-term objective and its daily activities. Performance can be measured in relation to the steps along the paths (e.g., activities and impacts). It can also be gauged by the extent to which the links between each step occur.

The overall vision of the BCCFSC (presented in Section 2.1) is summarized at the bottom of the logic model in Four Corners' long-term objective – to "strengthen the DTES community."

In order to attain this objective, Four Corners seeks to realize its intended impacts. These impacts include fulfilling Four Corners' mission – its legislated purpose (presented in Section 2.2). This purpose is summarized in the triple-bordered impact to, "deliver banking services appropriate to customer needs" on the logic model. Some of the logic model's other intended impacts cover the manner in which this purpose is fulfilled (e.g., in compliance with statutes). Others demonstrate the links between Four Corners' legislated mission and its overall vision.

These impacts also form the basis for most of the goals presented in Section 3.3.

Four Corners impacts are expected to result from its daily activities, and their outputs, which are presented at the top of the logic model. These activities represent the key strategies that Four Corners is using to achieve its goals, and are outlined further in Section 4.0. They can be the focus of Banking Services, Corporate Services or both Operating Segments.


ACTIVITIES
BANKING OPERATING SEGMENT
BANKING/CORPORATE - CORPORATE OPERATING SEGMENT
Cheque Cashing Services (Non-Account Holders
Basic Retail Banking Services
Consumer/ Small Business Lending
Photo ID Services
Supportive Services (e.g., money management advice, referrals, employment information, immunization campaign)
Marketing/ Communi-cations
Cultural/ Education Events
Community/ Public Consultations/ Advisory Council
Legislative/ Regulatory Compliance
Governance Committees
OUTPUTS
Cheques Cashed
Services Provided By Type
Services Provided By Type
Customer Cards Computer IDs
Referrals Made Information Provided Other
Contacts Made Information Disseminated
Events Held/ Supported
Input Provided/ Received
Statutes/ Provisions Complied With
Responsibilities Being Met
IMPACTS
Achieve Financial Targets
Deliver Banking Services Appropriate To Customer Needs
Access To Needed Services In The Community/DTES
Attract New Customers Within/Outside The DTES
Strong Linkages With The Community/DTES
Ensure Four Corners Functions Well And Is In Compliance With Statutes
CUSTOMER
COMMUNITY
Improved Financial Stability For Customers
Improved Health
Expanded Social Support Network
Improved Social Sustainability (e.g., pride, participation, safety)
Improved Physical Sustainability (e.g., beautification, affordable housing)
Improved Economic Sustainability (e.g., employment, business climate)
OBJECTIVE
Strengthen The DTES Community

3.2 BCCFSC Activities

The activities of the BCCFSC's two Operating Segments (Banking Services and Corporate Services) are described briefly in this section.

The Banking Services Operating Segment's activities include:

- *Cheque cashing services (to non-account holders).* Some individuals who do not have accounts with Four Corners still use the financial institution for cashing cheques.

- *Basic retail banking services.* Four Corners offers the following basic retail banking services: savings and chequing accounts, term deposits, US dollar accounts, ATM access, direct deposits, RRSP deposits, night deposit, safety deposit boxes, money orders and utility bill paying services.

- *Consumer/commercial lending.* Four Corners offers the following consumer/commercial lending services: conventional and CMHC approved mortgages, RRSP loans, other personal/commercial term loans and personal/commercial lines of credit.

- *Photo ID services.* Customers can obtain ID cards with their photograph on them at Four Corners' branch location. The ID cards are portable, and the photographs also remain "in a visual record" on a computer at Four Corners for future use on every transaction, virtually eliminating fraud.

- *Supportive services.* Four Corners' staff spend sufficient time with customers to ensure they receive the support they need to properly access the institution's services. Staff also offer customers financial advice or guidance on an informal basis. They supply referrals to, and information about, the shelter, food and health services available from community agencies. A Human Resources Development Canada (HRDC) computer online job bank is available for use in Four Corners' lobby for employment information. A bulletin board is situated in the lobby. Crisis intervention services are also provided, in the form of first aid and other support for persons in distress.

> **"Free money orders means I don't have to carry around cash to pay my rent. I'm not so scared of being robbed." (Four Corners' customer)**
>
> **"I get my assistance cheque electronically transferred to Four Corners. At first I was a bit worried that it might not work. But the tellers have created a system that lets me know if the transfer has been successful beforehand. They are always making themselves available for questions." (Four Corners' customer)**

Both the Banking Services and Corporate Services Operating Segments are involved with:

- *Marketing/communications.* Four Corners' staff prepare marketing and communication information/materials for distribution. They are in frequent contact with potential/existing customers, sponsors and other partners. They also help to coordinate special events held at the branch and/or in the community.

- *Cultural/educational events.* Four Corners has hosted opera and dance performances at its branch, along with Humanities 101 events. University of British Columbia (UBC) students present their research and guest lectures to community members. A "Poet's Corner" is part of the bulletin board in the lobby. Four Corners is also involved with supporting sports training camps for youth.

The Corporate Services Operating Segment undertakes:

- *Community/public consultation/Advisory Council activities.* A seven member Advisory Council is elected for a two-year term. Its responsibilities include:

    - Ensuring that customer and community interests are served;
    - Providing advice and recommendations to Four Corners' Board of Directors; and,
    - Making three nominations to the Minister for appointments to Four Corners' Board of Directors.

- *Legislative/regulatory compliance activities.* As noted in the Environmental Scan, Four Corners operates within a legislative framework comprised of six statutes.

- *Governance/Committees activities.* Four Corners is governed by an eleven member Board of Directors appointed by the Lieutenant Governor in Council by an Order in Council for a two-year term. Three members of the Board of Directors are nominated by the Advisory Council to represent the interests of the community. There are presently four Committees to the Board of Directors: Executive, Audit, Investment & Loan and Conduct Review.

3.3 BCCFSC Goals

This section presents BCCFSC's ten goals, under the following headings:

- Financial Goals;
- Customer Goals;
- Business Process Goals; and,
- Learning & Growth Goals.

3.3.1 Financial Goals

A key goal of Banking Services over the next three years is:

> *Goal 1: Achieve financial targets.* This means maximizing revenues, controlling costs, reducing losses and achieving sustainability.

3.3.2 Customer Goals

At the same time, Banking Services has primary responsibility for achieving Four Corners' mandate to:

> *Goal 2: Deliver banking services that meet the needs of customers in an appropriate manner.* Four Corners intends to make it both more feasible, and easier, for its customers to use financial services.

Banking staff and photo ID cards also assist customers with:

> *Goal 3: Access to needed services in the community/DTES.* These services include housing registries, medical and dental programs.

Both the Banking Services and Corporate Services Operating Segments undertake activities which are aimed at:

> *Goal 4: Attracting new customers within/outside the DTES.* In the past, new customers have primarily been drawn from the DTES. The focus with these customers is now on customer retention and expanding their use of Four Corners' services while continuing to gradually increase their numbers. In addition, Four Corners is intending to attract more customers from outside the DTES, who share its principles, to access its services in accordance with its statutory mandate.

> *Goal 5: Strong linkages with the community/DTES.* This includes relationships with its customers in the community, as well as with other organizations active in the DTES.

All Four Corners' actions are intended to result in:

> *Goal 6: Benefits to customers.* In particular, Four Corners aims to improve the financial stability of its DTES customers and their mental health. It also intends to expand their social support networks (e.g., to help customers know where to go for help).

Goal 7: Benefits to the DTES community. In particular, Four Corners seeks to improve the social, physical and economic sustainability of the DTES community.

3.3.3 Business Process Goals

Banking Services also makes ongoing efforts to achieve its goal of:

Goal 8: Ensuring efficient business processes are in place. This means developing new products and services and processing transactions in as effective a manner as possible.

3.3.4 Learning & Growth Goals

Banking services also works toward:

Goal 9: Building and retaining capacity. This includes Four Corners employees' capacity, its customers' capacity as well as its technology/information system capacity.

Corporate Services continues its efforts aimed at:

Goal 10: Ensuring Four Corners functions well and in compliance with statutes. This means ensuring its Board of Directors and Committees are operational, that its statutes/provisions are complied with and that its organizational structure and delegation processes are in place.

3.4 Consistency With The Government's Strategic Priorities

BCCFSC's goals and objective are consistent with the government's strategic priorities and its strategic plan as outlined in *Choices For Today's Families: 2001-2004 Strategic Plan*. In particular, BCCFSC's achievement of its goals should contribute to Goal 8 in the government's plan:

> "All Citizens will be able to lead Lives of Dignity and Security."

Accomplishing BCCFSC's goals should also contribute, though to a lesser extent, to other goals in the government's Strategic Plan. These include Goal 1 "British Columbians will be Healthy", Goal 4 "All British Columbians will have Greater Opportunities to get the Education and Training they need", Goal 7 "Families will be better able to Balance their Work and Home Lives and make ends meet" and Goal 10 "Our Communities will be Safer."

4.0 KEY STRATEGIES AND PERFORMANCE MEASURES

This section provides a summary of the key strategies to be used to achieve the Operating Segments' goals and objectives. It also presents the performance measures which will be used to document these achievements and the results which are expected to occur over the next three years.

The strategies, performance measures and expected results presented herein are based, in part, on Four Corners' 2001/02 Business Plan. Not all aspects of this Business Plan have been approved as of April 2001. This may affect Four Corners ability to achieve its expected results targets, as they are described below.

Four Corners has been measuring its performance, both monthly and annually, since it was established. However, this is the first year it will have a more formalized Performance Plan in place. The performance measures contained in the plan will be used as a basis for Four Corners' Annual Report for the 2000/01 fiscal year. As a result of their use, further refinement of the measures, their definitions and their collection/analysis methods will likely occur. The Performance Plan is to be reviewed annually and such minor refinements incorporated into the planning process as appropriate.

The performance measures below focus primarily on areas over which Four Corners has control. They are results-oriented and demonstrate a balance between financial and non-financial measures. They cover four areas of performance: financial, customer, business process and learning & growth. Both quantitative and qualitative measures are used. Output and outcome measures are included as well as efficiency measures.

The following table presents an overview of BCCFSC's goals, strategies for achieving them, performance measures and three year targets. More information on these items, as well as on results to date, is detailed in the next four sections of the Performance Plan:

- 5.0 Financial Goal;
- 6.0 Customer Goals;
- 7.0 Business Process Goal; and,
- 8.0 Learning & Growth Goals.

GOALS	KEY STRATEGIES	PERFORMANCE MEASURES	TARGETS/EXPECTED RESULTS
Financial:			
Goal 1: Achieve financial targets.	• Increase revenues from banking activities. • Control costs. • Manage risk.	• Revenue source growth rates.	• Deposits to grow to $42 million by end of fiscal year 2003/04. • Loans to grow to $22.5 million by 2003/04.
		• Financial revenue and operating/administrative expense levels.	• Financial revenues projected to grow to $3.2 million by 2003/04. • Operating expenses projected to increase to $1.8 million by 2003/04.
Customer:			
Goal 2: Deliver banking services that meet the needs of customers in an appropriate manner.	• Offer cheque cashing, retail banking and consumer/commercial lending services, etc. • Offer financial services in a manner which is appropriate (e.g., no cost).	• Market share in the DTES.	• Maintain market share in the DTES (estimated at 25% of the adult population).
		• Community members being served. • Range of financial services being provided.	• Net account holders projected to grow to 6,400 by 2003/04. • Point-of-sale transactions projected to grow to 3,000 per month by 2003/04. • ATM transactions projected to grow to 7,000 per month by 2003/04.
		• Customer acquisition rates.	• Net new account holders projected to grow by 300 per year (to 6,400 by 2003/04).
		• Customer retention rates.	• Retain 60% or more of current customers.

(cont'd)

GOALS	KEY STRATEGIES	PERFORMANCE MEASURES	TARGETS/EXPECTED RESULTS
		• Customers' access/transaction rates.	• (New) Point-of-sale transactions projected to grow to 3,000 per month by 2003/04. • ATM transactions projected to grow to 7,000 per month by 2003/04.
		• Customer satisfaction ratings.	• Create baseline customer satisfaction ratings for overall services as well as specific products/services.
Goal 3: Access to needed services in the community/DTES.	• Provide ID cards and referrals/advice to services.	• Photo ID cards and visual records on file.	• Gradually increase the number of account holders using photo ID services.
		• Access to other services, referrals made, advice given.	• Referrals and advice continue to be made available to customers.
Goal 4: Attracting new customers within/outside the DTES.	• Marketing/sales efforts and cultural/educational events.	• Customer acquisition rates (see above). • Range of financial services being provided (see above). • Cultural/educational events held/supported (see below).	
Goal 5: Strong linkages with the community/DTES/	• Build relations with stakeholders. • Offer/support free cultural events and youth sports training camps.	• Advisory Council participation/input.	• Continue Advisory Council meetings with the Board of Directors at least four (4) times per year.
		• Relationships with other community organizations.	• Maintain/develop ongoing relationships with other community organizations.
		• Cultural/educational events held/supported.	• Support at least four (4) cultural/ educational events/programs and additional ones as appropriate.

(cont'd)

GOALS	KEY STRATEGIES	PERFORMANCE MEASURES	TARGETS/EXPECTED RESULTS
Goal 6: Benefits to customers.	• Provide banking services to customers and facilitate their access to other services.	• Improved customer financial stability, health and expanded social support networks.	• Financial, health and social support improvements reported by community members.
Goal 7: Benefits to the DTES community.	• Provide banking services to customers and community development initiatives, facilitate access to other services and build relations with stakeholders.	• Improved community social, physical and economic sustainability.	• Social, physical and economic sustainability improvements reported by community members.
Business Process:			
Goal 8: Ensuring efficient business processes are in place.	• Review and refine business processes on a continuous basis.	• Timeliness and quality of services provided.	• Create baseline customer ratings for the timeliness and quality of services.
		• Business process improvements made.	• Continuous improvement of business processes.
Learning & Growth:			
Goal 9: Building and retaining capacity.	• Recruit, develop and maintain well-trained staff and support access to training opportunities. • Acquire, implement and service financial technologies and information systems.	• Employee recruitment, retention and satisfaction.	• Ongoing recruitment, as needed, retained staff, improved skill levels and satisfaction levels.
		• Technology/information system capabilities and changes made.	• Move data processing in-house in 2001/02. • Point-of-sale technology capability to be added in 2001/02.

(cont'd)

GOALS	KEY STRATEGIES	PERFORMANCE MEASURES	TARGETS/EXPECTED RESULTS
Goal 10: Ensuring Four Corners functions well and in compliance with statutes.	• Be governed by its Board of Directors and Committees. • Achieve or exceed its statutory and regulatory requirements. • Investigate reorganization and reposition options.	• Board Of Directors and Committee oversight activities being undertaken.	• Continue to meet and undertake oversight activities.
		• Statutory and regulatory requirements being complied with.	• Continue to comply with the six (6) statutes which currently affect Four Corners' operations as well as other regulatory requirements.
		• Implementation of reorganization/repositioning reviews and improvements.	• - Continue to discuss the recommendations of the reviews undertaken and implement those accepted.

5.0 FINANCIAL GOAL

Goal 1: Achieve financial targets.

Four Corners will be actively pursuing three strategies in order to achieve its financial targets over the next three years. We are planning to:

- Increase revenues from retail banking services and consumer/commercial lending activities;
- Control all costs; and,
- Manage risk through a monthly financial reporting system, prudent/ethical lending approach and tracking of regulatory requirements.

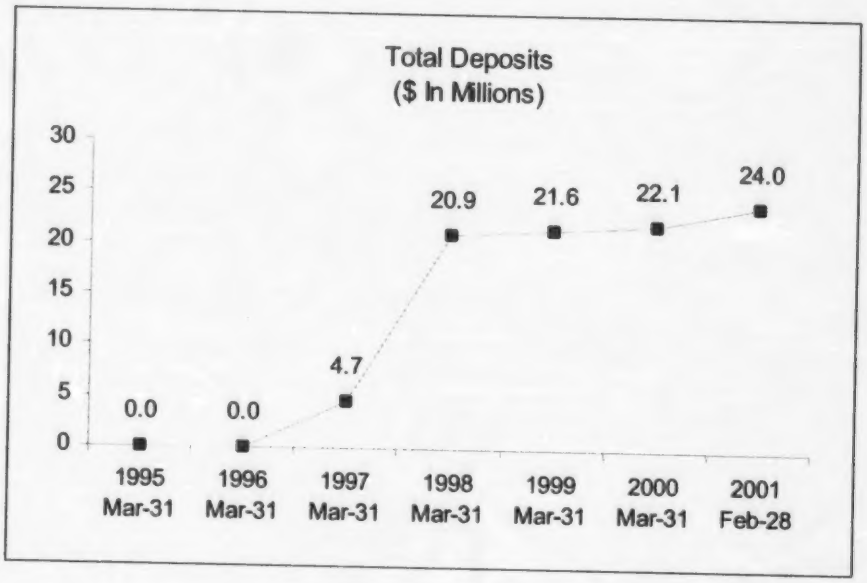
We will measure our success in achieving this goal using the following performance measures.

Performance Measure 1.1: Revenue source growth rates.

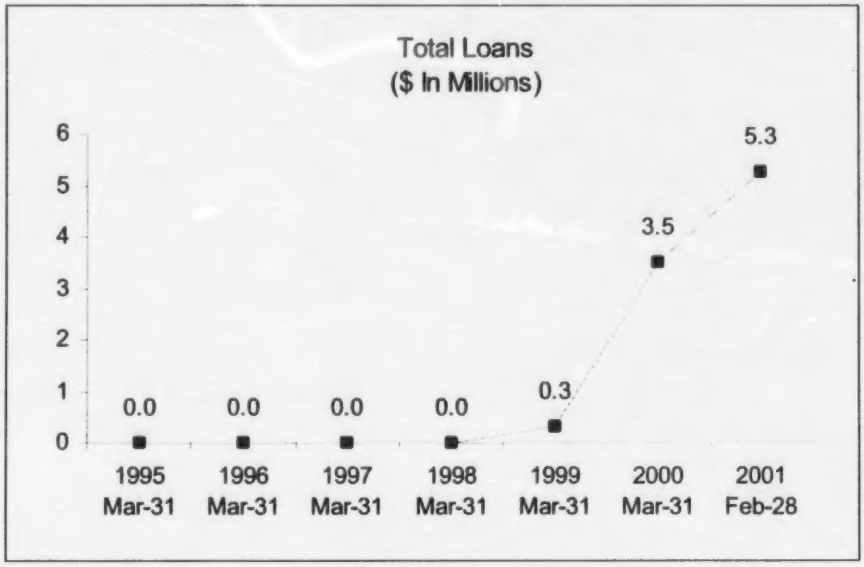
Results To Date:

Deposits and loans are key revenue sources for Four Corners and major drivers of its financial performance. Both have grown dramatically since they were introduced.

Total deposits rose from $0 to almost $5 million in the first year (1996/97). They then climbed to approximately $21 million the following year and have been increasing more slowly since that time.



Total loans rose to just over $300,000 in their first year (1998/99). They then increased to $3.5 million the following year and are still climbing swiftly. In 2000/01 they grew by about $2 million.



Target/Expected Results:

Deposits and loans are both expected to continue to grow over the next three years.

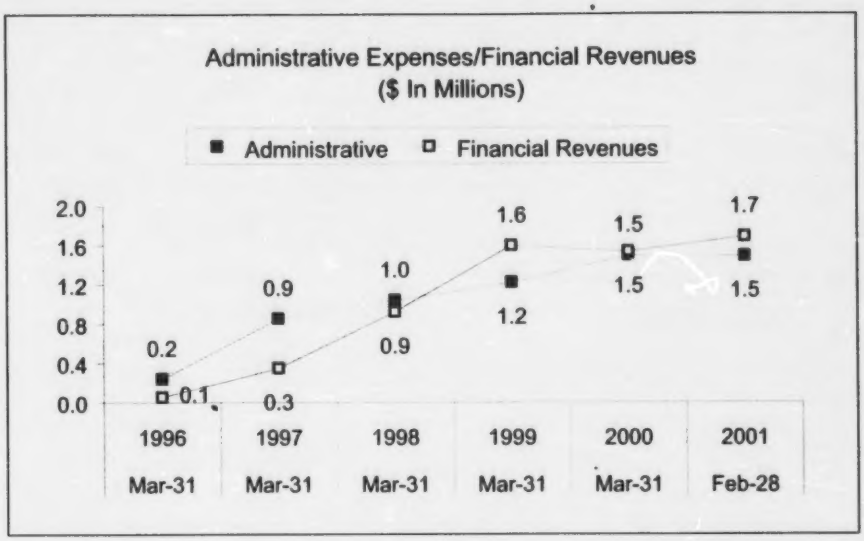
According to Four Corners' 2001/02 Business Plan, deposits are projected to grow to $42.0 million by the end of 2003/04 – provided all the activities in the Business Plan are approved and its assumptions are met. Loans are projected to grow to $22.5 million by 2003/04 – provided long term deposits can be attracted to match loan maturities.

Performance Measure 1.2: Financial revenue and operating/administrative expense levels.

Results To Date:

Financial revenues have also been increasing. These revenues have grown to approximately $1.7 million in the first eleven months of the 2000/01 fiscal year (as of February 28, 2001) – overtaking operational expenses in 1998/99.

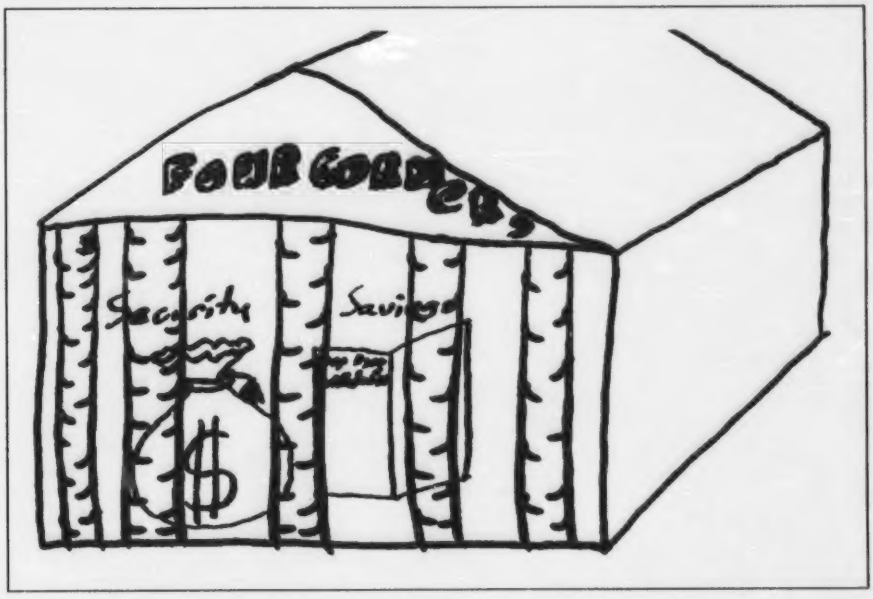
Operating/administrative expenses have been rising gradually, supporting this increased business. Estimated expenses have increased to approximately $1.5 million (as of February 28, 2001).



Target/Expected Results:

According to Four Corners' 2001/02 Business Plan, financial revenues are projected to grow to $3.2 million by the end of 2003/04.

Operating/administrative expenses are also expected to continue rising gradually in line with inflation over the next three years as business grows. According to Four Corners' 2001/02 Business Plan, operating expenses are projected to increase to $1.8 million in 2003/04.



6.0 CUSTOMER GOALS

Goal 2: Deliver banking services that meet the needs of customers in an appropriate manner.

In order to achieve this goal, Four Corners is planning to continue to:

- Offer cheque cashing, retail banking and consumer/commercial lending, photo ID and supportive services to customers.

- Offer financial services which are appropriate. Four Corners offers services that other financial institutions have never provided in a systematic manner. The "niche" customers we serve require special services which we deliver, for example, by:

    - Providing multi-lingual services;
    - Spending more time on transactions with some customers and on average;
    - Not requiring a minimum balance to hold an account;
    - Keeping picture IDs of customers on customer service representatives' computers;
    - Offering flexible loan conditions and payments;
    - Offering deposit guarantees of up to $100,000 for individual deposits and $2.0 million for institutional deposits;
    - Direct depositing of cheques, including benefit cheques, to accounts;
    - Waiving service charges for people living below the poverty line – including cheque cashing fees;
    - Enabling smaller "no penalty" withdrawals;
    - Offering free money orders for rent payments into low income customers helping to reduce evictions (along with cheque payment records);
    - Having a warm, dry place to sit while waiting for service;
    - Using a customer-designed system of tickets to process queues (so that customers do not have to wait for several hours on busy days – they can choose to leave and then return);
    - Providing customers with the option of sitting while being served;
    - Providing staff with the option of sitting while serving customers;
    - Treating customers with dignity (enabling them to maintain their pride);
    - Providing a washroom for customers;
    - Having a children's play area in the lobby;
    - Being wheelchair accessible;
    - Offering deposit "pick-up" services to customers outside the DTES;
    - Offering competitive rates; and,
    - Having an ethical investment and lending policy and strategy.

We will measure our success in this area using the following performance measures.

Performance Measure 2.1: Market share in the DTES.

Results To Date:

Since opening its doors in 1996, Four Corners has been very successful at attracting customers who are DTES residents. Four Corners' staff estimate that over 4,000 of their customers are DTES residents. Given an adult population of 16,000 residents, this means an estimated market share in the DTES community of approximately 25%[7] - and a 50% or greater market share among DTES residents receiving Income Assistance. In this case, one-in-four DTES residents are banking at Four Corners, including at least one-half of those on Income Assistance.

Target/Expected Results:

Four Corners' market share among DTES residents will be maintained.

Performance Measure 2.2: Community members being served.

Results To Date:

As of March 31, 2001, Four Corners had 5,532 account holders[8]. Four Corners' initial target of 5,000 account holders was met one year earlier than anticipated, by the end of the 1999/00 fiscal year.

Four Corners has successfully attracted low income customers in accordance with its legislated purpose. As of March 31, 2001, an estimated 4,421 (80%) of Four Corners' account holders were low income account holders[9].

Four Corners has also successfully attracted customers from the neighbourhood it is located in. Four Corners' staff estimate that over 4,000 customers were living in the DTES as of February 28, 2001.

In addition, over the past five years, Four Corners has provided financial services to other individuals who have held more than 3,500 accounts which are now closed[10].

There are also an estimated 400 individuals above and beyond the account holders who use the financial institution for cheque-cashing only.

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7 Market share is defined as a proportion of residents – the percentage of DTES residents who are Four Corners customers. The number of residents in the DTES varies depending upon the geographic boundaries being used. It typically ranges between 13,000 and 16,000 residents, approximately one-half of whom receive Income Assistance.

8 These are individuals who hold savings or chequing accounts which have been active in the past 12 months. Almost all these individuals hold either a savings account or a chequing account, but not both.

9 These are also individuals who hold savings or chequing accounts which have been active in the past 12 months. This estimate assumes that these individuals hold either a savings account or a chequing account, but not both.

10 A proportion of community residents are highly mobile.

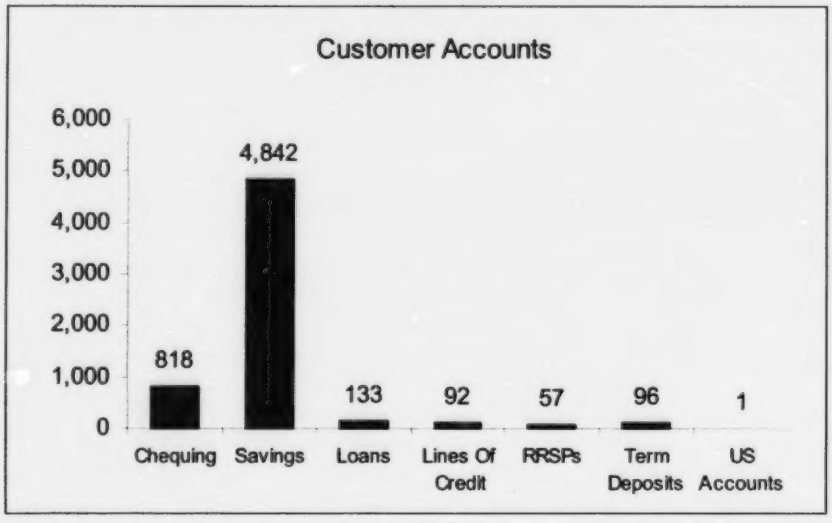
Target/Expected Results:

Four Corners' customer base will be expanded. The net number of account holders is projected to grow to 6,400 by 2003/04. This includes increases in the number (but not necessarily proportion) of low income customers and DTES-resident customers.

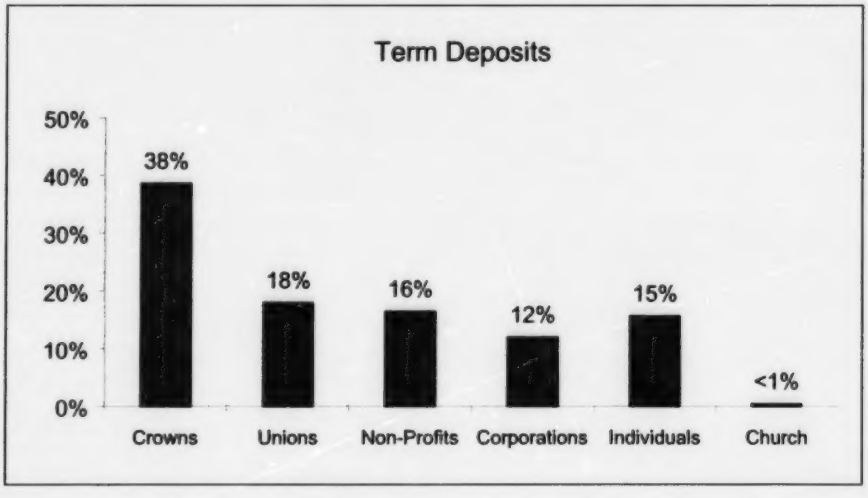
Performance Measure 2.3: Range of financial services being provided.

Results To Date:

As of February 28, 2001, the vast majority (80%) of the 6,039 accounts were savings accounts. A further 14% were chequing accounts.



Term deposits are held by a variety of customers. As of February 28, 2001, just over one-third of the total value of the term deposits were held by Crown Corporations, and almost one-fifth were held by unions.



ATM cards were introduced in July 1999. By February 28, 2001, 1,763 cards had been issued and are typically being used for between 3,500 and 4,000 transactions per month. Assuming one card per customer, an estimated 30% or more of Four Corners' customers are using ATM cards.

Typically, between 1,000 and 1,400 cheques, including benefit cheques, are directly deposited to accounts each month.

Approximately 200 free money orders for rent are usually issued each month.

Almost one-half of the loans made have been to low income people for smaller amounts - $500 to $3,000 – to consolidate unmanageable debt, pay dental bills or to have a vehicle repaired. It is not cost effective for major banks to sit down with somebody and talk about a $500 loan. Even credit unions are not looking at anything under $1,000. Collateral support is provided for some customers by the Four Corners Support Fund Society. Loan defaults over 30 days are less than 2%. This compares favourably to other financial institutions in BC who are experiencing 2.4%.

More commonly, account holders will not apply for a loan, but rather request an overdraft of $20 or $30 to tide them over until the next cheque issue day.

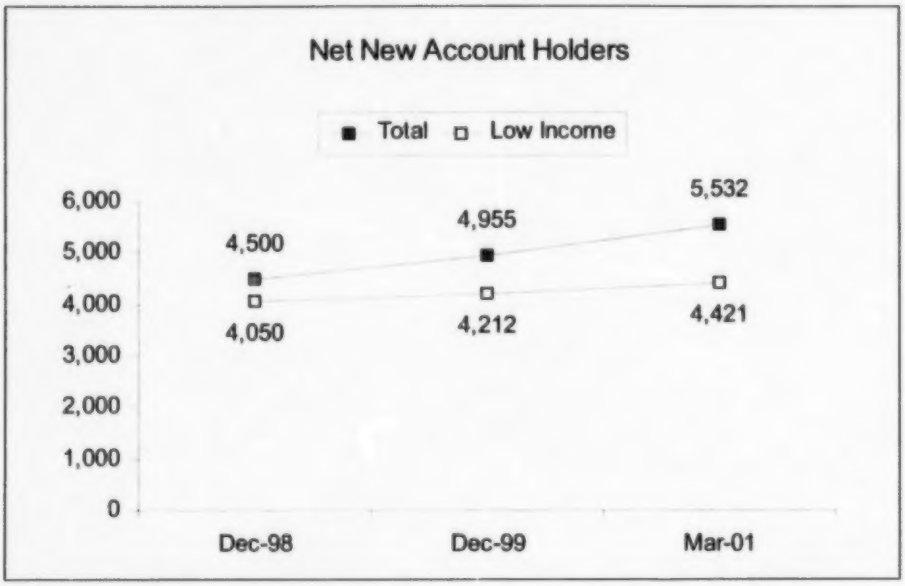
Target/Expected Results:

Four Corners' customer base and transactions will continue to be diversified. In particular, point-of-sale transactions are projected to grow to 3,000 per month by the end of 2003/04 and ATM transactions to 7,000 per month.

Performance Measure 2.4: Customer acquisition rates.

Results To Date:

Four Corners has acquired approximately 500 *net* new account holders per year for the past three years. Each year, approximately 100 to 200 of these *net* new account holders are low income customers.



A survey was conducted with 201 customers using Four Corners and interviewed on-site during three days in December 1999, one of which was a cheque issue day. According to these 201 customers, some of the reasons why customers are opening accounts at Four Corners are:

- Because they are able to (can have an account – 22%);
- Convenience (22%);
- Because of the financial institution's appropriate services (12%); and,
- To support its ideas (12%).

A very high proportion of the customers surveyed (87%) said they used Four Corners to cash cheques (all but one of whom also kept an account at Four Corners). When asked what kind of financial outlet they had used to cash cheques before Four Corners, two-thirds (66%) of these customers said they had cashed cheques using Money Mart. As of April 2001, Money Mart outlets were charging a 2.99% commission on Income Assistance cheques, plus a $1.99 cheque cashing charge. On an Income Assistance cheque of $510, this amounts to $17.24.

Target/Expected Results:

Four Corners will continue to attract new customers, including low income customers, DTES residents and non-DTES residents who share and promote the principles, goals and purposes of BCCFSC. Net new account holders are projected to grow by 300 per year.

Performance Measure 2.5: Customer retention rates.

Results To Date:

The December 1999 survey of onsite customers found that of those with accounts, one-half had opened the account two or more years ago and 30% had had their account for three or more years (since at least December 1996).

Target/Expected Results:

Four Corners will retain 60% or more of its current customers.

Performance Measure 2.6: Customers access/transaction rates.

Results To Date:

An estimated 500 customers per day do their banking at Four Corners and up to 1,000 on "cheque issue days."

Customers conduct approximately 12,000 counter transactions per month with Four Corners and between 3,500 and 4,000 ATM transactions.

Target/Expected Results:

Four Corners will maintain the current level of service but diversify transactions to include more using ATM and point-of-sale technologies and fewer in-house transactions. In particular, point-of-sale transactions are projected to grow to 3,000 per month by the end of 2003/04 and ATM transactions to 7,000 per month.

Performance Measure 2.7: Customer satisfaction ratings.

Results To Date:

Customer satisfaction is being constantly monitored by the Advisory Council through its members' deep roots in the community and the periodic meetings it holds with customers. Feedback is provided by the Advisory Council to the Board of Directors and Four Corners' management.

Target/Expected Results:

Customers will be satisfied with Four Corners overall as well as with the specific products/services they are using. Baseline customer satisfaction ratings are to be created for overall services as well as for specific products/services.

Goal 3: Access to needed services in the community/DTES.

In order to achieve this goal, Four Corners will continue to:

- Provide customers with ID cards they can use to access other community/DTES services along with referrals and advice on available services.

We will measure our success in achieving this goal using the following performance measures.

Performance Measure 3.1: Photo ID cards and visual records on file.

Results To Date:

Photo ID cards are currently on file for all 5,532 savings and chequing account holders.

Target/Expected Results:

Photo ID services will be used by/available to a gradually increasing number of customers.

Performance Measure 3.2: Access to other services, referrals made, advice given.

Results To Date:

In addition to providing financial and related services, staff interact with customers to encourage effective personal financial management. They refer individuals with other needs to relevant existing community services, such as housing registries, community centres, non-profit agencies and businesses.

According to the December 1999 survey of onsite customers:

- 24% said they used Four Corners to look for jobs (e.g., through the HRDC kiosk in the lobby);
- 13% to get information about job training or educational programs;
- 9% to get advice about budgeting from bank staff; and,
- 9% to get help for personal problems from staff.

Target/Expected Results:

Customers will continue to access/use referrals and advice from Four Corners.

Goal 4: Attract new customers within/outside the DTES.

In order to achieve this goal, Four Corners is planning to:

- Increase its customer base and transactions through marketing/sales efforts and cultural/educational events.

We will measure our success in achieving this goal using the following performance measures.

Performance Measure 4.1: Customer acquisition rates (see above)

Performance Measure 4.2: Range of financial services being provided (see above)

Performance Measure 4.3: Cultural/educational events held/supported (see below)

Goal 5: Strong linkages with the community/DTES.

In order to achieve this goal, Four Corners will continue to:

- Build relations with its stakeholders and its community; and,
- Meet or exceed its social mandate (through offering/supporting free cultural events and youth camps).

We will measure our success in achieving this goal using the following performance measures.

Performance Measure 5.1: Advisory Council participation/input.

Results To Date:

The Advisory Council was first elected in 1998. It has seven members and meets monthly. It also meets with the Board of Directors on a quarterly basis.

The Advisory Council continues to function as envisaged, in representing customers and the community as a whole. Four Corners' second Advisory Council was elected on January 15, 2000 for a two-year term. The members of this Advisory Council have strong ties to the community and offer a wide range of skills and knowledge.

In 2000/01, the Advisory Council focused on how to provide excellent customer service, as well as on ensuring that Four Corners' products, services and hours of operation meet the needs of low income customers.

Target/Expected Results:

Continue Advisory Council meetings with the Board of Directors at least four (4) times per year.

Performance Measure 5.2: Relationships with other community organizations.

Results To Date:

Some community organizations hold accounts with Four Corners.

Some community organizations input into Four Corners' operations through the Advisory Council and participate in public meetings.

In addition, representatives from 19 key community organizations were interviewed in December 1999. They were asked to provide Four Corners with feedback on what they are "hearing from customers" as well as what they have observed in terms of Four Corners' overall impacts. They were also asked how well Four Corners was doing in terms of its intended benefits to customers and community members.

Target/Expected Results:

Ongoing relationships with other community organizations will continue.

Performance Measure 5.3: Cultural/educational events held/supported.

Results To Date:

Seven operas have been presented (as of the end of 2000/01), resulting in enhanced interactive cultural opportunities for DTES residents at no direct cost to Four Corners.

In 2000/01, events were also hosted for the Humanities 101 program, UBC's urban field school and visiting lecturers.

A "Poet's Corner" is active on the bulletin board in Four Corners' lobby.

The lobby is also home to a giant mural painted by local and international artists.

Four Corners is helping to support sports camps for local youth.

In the past, a dance performance and poetry readings have also been sponsored - along with two films at the International Film Festival which were of special interest to customers and part of Four Corners' deposit gathering strategy.

Target/Expected Results:

At least four cultural events/programs will be offered each year and additional ones as appropriate.

Goal 6: Benefits to customers.

In order to achieve this goal, Four Corners will continue to:

- Provide banking services to customers and facilitate their access to other services.

We will measure our success in achieving this goal, *periodically*, using the following performance measure.

Performance Measure 6.1: Improved customer financial stability, health and expanded social support networks.

Results To Date:

According to the December 1999 interviews with onsite customers and community organization representatives, Four Corners is considered to be bringing substantial benefits to its customers in terms of:

- *Increased financial stability with spin-off benefits to its customers for other areas of their lives.* Over one-half (57%) of the customers surveyed said it was true their money lasted longer. Community organization representatives also observed that customers are managing their money better – because they are able to withdraw

small amounts with no fee penalty and because advice from staff helps some to budget better. They also noted that because customers' money is safely in an account, individuals are less likely to spend impulsively or be robbed. In addition, because customers are not paying out cheque-cashing fees, they have more money to manage.

- *Improved mental health through increased feelings of security and self-confidence.* Over one-half (54%) of the customers surveyed said they felt they had more control over important aspects of their lives like having a place to sleep and food to eat. A similar proportion (54%) said they felt more secure because they knew their rents would be paid. Even more of those surveyed (62%) said they felt safer because their money was secure. Community organization representatives observed that customers are benefiting in terms of self-esteem and perceptions of personal competence from being more in control of personal finances and perceiving they have more options, as well as because Four Corners' staff treat them with respect.

In addition, 58% of the customers surveyed said that, as a result of Four Corners' assistance, they know more about where to go for help in the Downtown Eastside.

Target/Expected Results:

Customers financial stability, health and social support networks will continue to improve.

Goal 7: Benefits to the DTES community.

In order to achieve this goal, Four Corners will continue to:

- Provide banking services to customers and community development initiatives, facilitate access to other services and build relations with stakeholders.

We will measure our success in achieving this goal using the following performance measure.

Performance Measure 7.1: Improved community social, physical and economic sustainability.

Results To Date:

According to the December 1999 interviews with onsite customers and community organization representatives, Four Corners is considered to be bringing substantial benefits to its community in the following areas:

- *Building a sense of community through pride in the financial institution as a community initiative and through past inclusive organizing efforts.* Community organization representatives note that Four Corners is considered to be a community initiative and the product of much community effort. It is often referred to by customers as "their bank."

- *Helping to increase street safety in the vicinity of Four Corners' location.* While numerous other factors contribute to improved community safety, Four Corners is seen by some community agency representatives as strongly benefiting its community in this area. There has been a steady decrease in strong-arming in the immediate vicinity of Four Corners, for example.

- *By hiring community members.* Community organization representatives gave much praise to Four Corners' hiring from the community. They see it as providing employment for local community members and providing important role models for others.

Four Corners is also seen to hold potentially important role in the area's future economic development. There was strong support for the financial institution among the community organization representatives surveyed, and a strong will for it to continue to exist in the DTES.

Target/Expected Results:

The DTES community's social, physical and economic sustainability will continue to be improved.

7.0 BUSINESS PROCESS GOAL

Goal 8: Ensuring efficient business processes are in place.

In order to achieve this goal, Four Corners will continue to:

- Review and refine business processes on a continuous basis.

We will measure our success in achieving this goal using the following performance measures.

Performance Measure 8.1: Timeliness and quality of services provided.

Results To Date:

Not available, but will include:

- Accuracy of information provided;
- No financial loss for customers arising from transactions;
- Customers being treated as valued; and,
- Effective communication.

Target/Expected Results:

Customers will receive timely and high quality products and services. Baseline customer ratings are to be created for service attributes.

Performance Measure 8.2: Business process improvements made.

Results To Date:

Business processes are reviewed on an ongoing basis and have been improved each year since Four Corners began its operations.

Target/Expected Results:

Business process improvements will be implemented each year.

8.0 LEARNING & GROWTH GOALS

Goal 9: Building and retaining capacity.

In order to achieve this goal, Four Corners will continue to:

- Recruit, develop and maintain well trained staff and support access to training opportunities; and,
- Acquire, implement and service financial technologies and information systems.

We will measure our success in achieving this goal using the following performance measures.

Performance Measure 9.1: Employee recruitment, retention and satisfaction.

Results To Date:

A majority of Four Corners' staff are residents of the community it serves, trained through the community-based employment center programs, and were under-employed or recipients of Income Assistance prior to commencing employment at Four Corners. Unionized staff reflect the composition of the community they serve – speaking multiple languages, for example. There is low turnover among staff members; most of them are being retained long-term. Some staff have graduated into management and others have moved on to work for other financial institutions.

Training during 2000/01 included first aid training and upgrading banking and computer skills.

Target/Expected Results:

Ongoing recruitment, as needed, retained staff, improved skills and satisfaction levels.

Performance Measure 9.2: Technology/information system capabilities and changes made.

Results To Date:

Four Corners successfully completed its Year 2000 compliance activities and replaced its Automatic Cash Dispenser with a new one in fiscal year 1999/00.

It upgraded its Customer Service Representatives' computer station monitors in 2000/01.

Target/Expected Results:

Data processing will be moved in-house in 2001/02. Point-of-sale technology capability to be added in 2001/02.

Goal 10: Ensure Four Corners functions well and in compliance with statutes.

In order to achieve this goal, Four Corners will continue to:

- Be governed by its Board of Directors and Committees;
- Achieve or exceed its statutory and regulatory requirements; and,
- Investigate reorganization and reposition options.

We will measure our success in achieving this goal using the following performance measures.

Performance Measure 10.1: Board of Directors and Committee oversight activities being undertaken.

Results To Date:

The fourth eleven member Board of Directors was appointed in March 2001 for a two-year term. The Board of Directors has met at least ten times per year. In 2000/01, it was particularly active in the areas of strategic planning and in the streamlining of Four Corners' operations, organizational structure and decision-making processes.

Four Corners' legislated Committees are fully functional. In 2000/01, four Committees to the Board of Directors were active: Executive, Audit, Investment & Loan and Conduct Review.

In the past, two other Committees to the Board of Directors were also active: Policy & Procedure and Human Resources. These Committees were disbanded in September 2000 in order to simplify organizational processes and reduce the time demands being made on Directors.

Target/Expected Results:

The Board of Directors and its Committees will continue to meet and undertake their oversight activities.

Performance Measure 10.2: Statutory and regulatory requirements being complied with.

Results To Date:

Four Corners has been operating in compliance with the:

- *Community Financial Services Act;*
- *Financial Institutions Act;*
- *Company Act;*
- *Financial Information Act;*
- *Freedom Of Information And Protection Of Privacy Act*, (as of June 2000); and,
- *Budget Transparency And Accountability Act* (new in 2001).

It also meets the requirements of the Auditor General's Office, the Ministry of Attorney General and the Ministry of Finance's Risk Management Branch and Comptroller General's office.

In particular, it continues to fulfil its regulatory and statutory requirements including minimum liquidity of 20% and minimum capital of 8% or $5 million, whichever is greater.

Four Corners is audited annually by independent external auditors. Any deficiencies noted by the auditors are addressed and corrected immediately. There have been no substantive issues raised by these auditors.

Target/Expected Results:

Statutory and regulatory requirements continue to be complied with, including the six statutes which currently affect Four Corners.

Performance Measure 10.3: Implementation of reorganization/repositioning reviews and improvements.

Results To Date:

Various reviews have been undertaken recently which have made recommendations regarding reorganization and repositioning. Of particular note is Four Corners' structure and delegation project and a study on the benefits of Four Corners considering becoming a credit union.

Target/Expected Results:

The recommendations of the reviews undertaken will be discussed and implemented (if accepted).

IT IS VERY NICE TO be Treated as a human being and NOT Just another NUMBER.
I also like being served by a happy and COURTEOUS STAFF
MERRY CRISTMAS TO ONE AND ALL.

SHAWN *Art Contest Entry*